



MINUTES OF THE
NORTHERN TIER STEERING COMMITTEE

A meeting of the Northern Tier Transmission Group (“NTTG”) Steering Committee was held in Portland, Oregon on the 10th day of September, 2014 at 8:30 a.m. (PPT). Participation via web and phone conference was also available.

The following members and designated alternates were present, constituted a quorum and did not object to notice:

Frank Afranji, (proxy for Larry Bekkedahl), Portland General Electric,
Michele Beck, Utah Office of Consumer Services,
Ray Brush, NTTG Utility Co-Chair/NorthWestern Energy Corporation,
David Clark, NTTG State Vice-Chair/Utah Public Service Commission,
Dax Gray, (proxy for Marshall Empey), UAMPS,
Travis Kavulla, NTTG State Co-Chair /Montana Public Service Commission and proxy for
John Savage, Public Utility Commission of Oregon,
Larry Nordell, Montana Consumer Counsel,
Adam Richins, Idaho Power Company,
Bill Russell, Wyoming Public Service Commission,
Marsha Smith, Idaho Public Utilities Commission,
Rick Vail, NTTG Utility Vice-Chair, PacifiCorp, and
Curt Winterfeld, Deseret Power Electric Cooperative, Inc.

The following guests were present:

Travis Allen, Enbridge,
Dave Angell, Idaho Power Company,
Rich Bayless, Northern Tier Transmission Group,
Johanna Bell, Idaho Public Utilities Commission,
Gil Coulam, Northern Tier Transmission Group,
Sarah Edmonds, PacifiCorp,
Brian Fritz, PacifiCorp,
Sharon Helms, Northern Tier Transmission Group,

Fred Heutte, NW Energy Coalition,
John Leland, Northwestern Energy,
Craig Quist, PacifiCorp,
Mike Ryan, Northern Tier Transmission Group,
Jamie Stamatson, Montana Consumer Counsel,
Laura Trolese, Bonneville Power Administration,
Jim Tucker, Deseret Power Electric Cooperative, Inc.,
Bela Vestag, Utah Office of Consumer Services,
Amy Wachsnicht, Northern Tier Transmission Group, and
Dan William, Portland General.

The meeting agenda was reviewed and it was agreed to defer approval of the meeting minutes until after the PacifiCorp-California Independent System Operator (“CAISO”) Energy Imbalance Market (“EIM”) and the Northwest Power Pool (“NWPP”) Members Market Assessment and Coordination Committee Initiative (“MC”) updates.

REPORT

PacifiCorp-CAISO EIM Update

Sarah Edmonds, PacifiCorp Director of Transmission Policy, reported on and facilitated a dialog with members on the EIM partnership between PacifiCorp and the CAISO, the anticipated benefits, overall timeline and recent market simulation efforts. She noted that the project is on track for implementation with an October 1, 2014 go-live date.

Ms. Edmonds also gave an update on regulatory aspects of the effort, reporting that PacifiCorp had filed a revised Open Access Transmission Tariff (OATT) to implement EIM for PacifiCorp’s Balancing Areas (BA’s) and on June 19, 2014 FERC issued an order that in large part accepted PacifiCorp’s OATT revisions. Ms. Edmonds reviewed the Order, FERC Docket No. ER14-1578, noting those provisions that were approved, along with those where additional modifications were required.

Finally, Ms. Edmonds discussed the governance structure and roles of the CAISO Transitional Committee, and prospects for further expansion and participation by other BA’s, including NV Energy’s target participation by October 2015.

REPORT

Northwest Power Pool (“NWPP”) Members’ Market Assessment and Coordination Committee (“MC”) Initiative Update

Dan Williams, Portland General and NWPP MC Chair, gave an update on the NWPP MC Initiative, its drivers, high level schedule and the differences between the CAISO EIM and the NWPP MC Security Constrained Economic Dispatch (“SCED”) program.

In this presentation Mr. Williams focused on the operational aspects of a SCED system and the associated resource sufficiency metric required to standardize the near-term capacity commitment process to insure that adequate capacity is available to meet firm obligations with a high level of certainty. In conclusion, Mr. Williams reviewed the program timeline, stating that to provide the next level of cost discovery, a Request for Proposal will be issued in October 2014. It is assumed that individual entities would make voluntary election to join and fund the SCED in Q1 2015, with a 24 month implementation horizon and a targeted start date of October 2017.

APPROVAL

NTTG Steering Committee Meeting Minutes

A motion by Marsha Smith to approve the June 23, 2014 NTTG Steering Committee minutes was seconded by Ray Brush and unanimously **APPROVED**. The minutes will be posted on Northern Tier’s website.

APPROVAL

NTTG’s Draft Comments on the 111(d) Greenhouse Gas (GHG) Proposed Regulation

Commissioner Travis Kavulla reminded members that the Environmental Protection Agency’s (EPA) 111 (d) proposed regulation incorrectly referenced NTTG as a planning organization that could function like a Regional Transmission Organization and implement capacity markets and authorize transmission upgrades. Subsequently, at the September 2014 Steering Committee meeting it was agreed that NTTG should develop comments describing NTTG’s roles and functions in relation to transmission planning and system operations, and in particular to draw a distinction between the responsibilities of a planning region and those of a Regional Transmission Organization.

Draft comments were circulated prior to the September 24, 2014 Steering Committee meeting for members review. These comments do not take a position on any other aspects of the proposed EPA rule. Following discussion, the resolution set forth below was adopted:

RESOLVED: That NTTG’s comments on the EPA’s 111(d) GHG Proposed Regulation be approved and submitted on behalf of the NTTG members. A motion by Frank Afranji was seconded by Ray Brush and unanimously **APPROVED**.

REPORT

NTTG Western Electricity Coordinating Council (“WECC”) Transmission Expansion Planning Policy (“TEPPC”) Update

Rich Bayless provided an update on the WECC TEPPC activities, reporting that the WECC 2014 study plan is finished and encouraging members to appoint a NTTG representative to the Technical Advisory Subcommittee (“TAS”) with responsibility to help direct and influence the prioritization and development of cases that can be available for NTTG’s modeling and planning processes. He also gave a status reported on the WECC Environmental Protection Agency 111 (d) and other studies managed by WECC staff and consultants. He stated going forward the question remains open regarding who and how study requests will be addressed by WECC.

Mr. Bayless also briefly reviewed WECC’s Integrated Reliability Assurance Model and proposal for providing data, tools and analysis, along with concerns raised by the CAISO regarding the interference and redundancy with regional planning organizations Order No. 890 and 1000 planning obligations.

REPORT

NTTG Committee Reports

Dave Angell, NTTG Planning Committee Chair reported on the development and evaluation of the NTTG Initial Regional Plan. Base cases have been developed using a production cost model to determine the hours when load and resource conditions are likely to stress the NTTG transmission system. Powerflow analysis was then completed on the selected stressed hours to check compliance with system performance requirements and transmission needs associated with Public Policy Requirements. Mr. Angell discussed the system conditions that were studied and reported that to date no significant problems had been identified as a result of the contingency analysis on the Initial Regional Plan.

The NTTG Technical Workgroup will complete the analysis of the Initial Regional Plan prior to the September 23rd Q3 Stakeholder meeting and will continue discussions with the Cost Allocation Implementation Workgroup to support the development of cost allocation scenarios.

Curt Winterfeld, NTTG Cost Allocation Committee Chair reported that the Cost Allocation Committee had met several times over the course of the last few months to start the process of developing cost allocation scenarios that would be utilized, if it is determined that there is

a project in the Draft Regional Transmission Plan that is requesting cost allocation. He also noted that it is premature to know whether this election will occur. Mr. Winterfeld indicated that it had become apparent that the recently formed Cost Allocation Implementation Workgroup will need to work closely with the Planning Committee Technical Workgroup to define not only what the Cost Allocation Committee wants to consider for scenarios that are consistent with Attachment K requirements, but also what is possible within the time and resource constraints for the current biennial cycle. Going forward cost allocation efforts will be directed at resolving issues with the types and numbers of scenarios that can be developed. These discussions will form sideboards for the Cost Allocation Committee deliberations in selecting and proposing cost allocation scenarios that will then be shared with Stakeholders for input.

Mr. Winterfeld also mentioned that on October 8 the Cost Allocation Committee will meet to discuss progress on the development of cost allocation scenarios and to conduct elections for both the Cost Allocation Committee Chair and Vice Chair. Funding members were encouraged to consider volunteers to serve in this capacity who have knowledge and skills in both ratemaking and policy issues.

Stakeholder Comment Period

The floor was opened to the public for comment. Fred Heutte encouraged parties to read Travis Kavulla's September 9, 2014 House Majority Staff testimony on "States Perspectives: Questions Concerning EPA's Proposed Clean Power Plan". Many entities are wrestling with the 111(d) issue and it is important to have the reliability aspects of the final EPA rule understood. Mr. Heutte stated that he was pleased that WECC, with input from WIEB, is conducting this analysis.


Round Table/Other Business


The next NTTG Steering Committee meeting will be tentatively set for the morning of December 2, 2014.

There being no further action, the meeting adjourned.

[Signature Page Follows]

By: 
Sharon Helms, NTTG Project Manager


Approved:
Ray Brush, NTTG Utility Co-Chair


Approved:
Travis Kavulla, NTTG State Co-Chair